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Expenditures of the Department of Veterans Affairs for the Oklahoma State Fair

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APPROPRIATIONS/FINANCIAL MANAGEMENT Appropriation Availability Purpose availability Necessary expenses rule Miscellaneous expenses Exhibits/visual display APPROPRIATIONS/FINANCIAL MANAGEMENT Appropriation Availability Purpose availability Necessary expenses rule Miscellaneous expenses Recruitment Under 38 U.S.C. Sec. 703(d) (Supp. III 1991), the Secretary of the Department of Veterans Affairs (VA) may provide for the display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material. In view thereof, the Oklahoma City Medical Center was authorized to use VA's medical care appropriation for the rental of booth space at the Oklahoma State Fair and for the purchase of imprinted book matches and imprinted jar grip openers to be distributed at the fair for recruiting purposes and to provide veterans with a number to call to obtain information.

DECISION The Deputy Assistant Secretary for Financial Management, Department of Veterans Affairs (VA), asks whether medical care appropriations were properly used for several expenses incurred in connection with the Oklahoma City Medical Center staff's operation of a booth at the Oklahoma State Fair. The request also asks that we grant relief to the appropriate officials should we find that the payments were improper. For the reasons discussed below, we conclude that funds appropriated to VA for medical care were available for the booth rental and for the purchase of matchbooks and jar openers for distribution at the fair.

BACKGROUND

At the request of the Director, the Oklahoma City Medical Center rented booth space for $700 at the 1991 Oklahoma State Fair for the purposes of disseminating information to veterans and recruiting employees. Medical center staff were available at the booth to answer questions and distribute brochures regarding veterans' benefits and employment opportunities.

In addition, the medical center purchased matchbooks and jar openers for distribution at the fair. Both items were imprinted with the VA seal and the telephone number of the medical center. The items were distributed for recruiting purposes and to provide veterans (and potential job applicants) with a number to call to obtain information. The matchbooks cost $999.30, and the jar openers $2,691.50.

Payments for the booth and jar openers were made from VA's fiscal year 1991 appropriation for "Veterans Health Service and Research Administration, Medical Care." The appropriation was available for, among other things, necessary

expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and for furnishing inpatient and outpatient care and treatment to VA beneficiaries. Title I of the Departments of Veterans Affairs, Housing and Urban Development and Independent Agencies Appropriation Act, 1991, Pub. L. No. 101-507, 104 Stat. 1351, 1352-1353 (1990). Payments for the matchbooks were made from VA's 1990 medical care appropriation available for the same purposes. See Title I of the Departments of Veterans Affairs, Housing and Urban Development and Independent Agencies Appropriation Act, 1990, Pub. L. No. 101-144, 104 Stat. 839, 840-841 (1989).

Legality of Expenditures

Under 31 U.S.C. Sec. 1301(a) (1988), appropriated funds are available only for authorized purposes. When expenditures are neither expressly authorized nor prohibited, they are permissible only if reasonably necessary or incident to the proper execution of an authorized purpose or function of the agency. B-247730, Sept. 21, 1992, 71 Comp.Gen. 527; 66 Comp.Gen. 356 (1987). In the first instance, the application of this "necessary expense rule" is a matter of agency discretion. However, agencies do not have unfettered discretion. Therefore, when we review expenditures with reference to an authorized purpose or function, we consider whether, under the circumstances, the relationship between the authorized function and the expenditures is so attenuated as to take them beyond the agency's legitimate range of discretion. B-223608, Dec. 19, 1988.

State Fair Booth

Although VA does not have express authority to rent booths at fairs and expositions, we note that 38 U.S.C. Sec. 703(d) (Supp. III 1991) authorizes the Secretary to "provide for the preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material." Section 703(d) further authorizes the Secretary to purchase or rent equipment in exercising the authority granted by that section. In light of this authority and the medical center Director's determination that the booth would be useful for educational and recruiting purposes, we find that VA was authorized to use its medical care appropriation for the booth rental.

Matchbooks and Jar Openers

Under the "necessary expense rule," an agency may not purchase items in the nature of gifts or souvenirs unless there is a direct link between the items and the purpose of the appropriation charged. Stated differently, in order to justify purchasing novelty items or personal gifts with appropriated funds, an agency must demonstrate that the items will directly further its mission. See B-193769, Jan. 24, 1979.

Whether particular items directly further an agency's mission depends largely on the facts and circumstances of the case. For example, we have approved the Army's purchase of posters for distribution as prizes to selected individuals providing the Army with personal information in furtherance of its recruiting efforts. B-230062, Dec. 22, 1988. In 62 Comp.Gen. 566 (1983), we approved the Army's purchase of wall calendars containing information about the services provided by the Chaplain's Office and Army Community Services for military personnel and their families. While calendars clearly serve an independent purpose, the calendars at issue provided essential information about the

Chaplain's Office and its functions not commonly available to interested persons. See also B-247686, Dec. 30, 1992, approving the Environmental Protection Agency's purchase of buttons and magnets for participants in a statutorily authorized educational activity containing messages related to that activity.

We believe that the Medical Center's purchase and distribution of these matchbooks and jar grip openers served a purpose similar to that described in the cited cases. As explained before, the Medical Center was acting within its authority to inform veterans as to its services and for recruiting purposes by renting a booth at the state fair. As an operator of a booth, it was entirely appropriate for the Medical Center to attempt to attract the attention of those attending the event. The booth would serve little purpose if the Medical Center could not engage in inexpensive advertising to attract attention. The means chosen, imprinted matchbooks and jar openers, was appropriate for the objective to be accomplished. Each of these items contained the Medical Center's telephone number so that veterans and potential job applicants could call to obtain information. While the items apparently were distributed indiscriminately, regardless of whether the gift recipient was a veteran or potential job applicant, it was hardly feasible for the Medical Center to restrict the distribution only to veterans or potential job applicants.

Accordingly, we find that the VA's 1991 medical care appropriation was available for the rental of a booth at the Oklahoma State Fair, as well as for the purchase of matchbooks and jar grip openers for distribution to the public at that event.